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SEC-SEC

BY JEFF GERTH

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WASHINGTON - IN THE FALL OF 1972, WILLIAM J. CASEY, THEN CHAIRMAN OF THE SECURITIES AND EXCHANGE COMMISSION, FOLLOWED THE ADVICE OF AN SEC ENFORCEMENT OFFICIAL, STANLEY SPORKIN, AND REBUFFED REPEATED PRESSURES FROM THE NIXON WHITE HOUSE TO SLOW A SENSITIVE INVESTIGATION INTO ROBERT L. VESCO, THE FINANCIER.

VESCO LATER BECAME A FUGITIVE, BUT CASEY, UNLIKE SOME OTHER PROMINENT NIXON ADMINISTRATION OFFICIALS WHO GOT INVOLVED, CAME THROUGH WITH HIS REPUTATION UNSULLIED.

TODAY, SPORKIN AND THE ENFORCEMENT DIVISION HE HAS HEADED SINCE 1974 ARE UNDER FIRE FROM SOME OF PRESIDENT REAGAN'S SUPPORTERS. SPORKIN AND HIS TROOPS HAVE BECOME THE MOST VISIBLE SYMBOLS OF THE COMMISSION'S REPUTATION FOR VIGOROUS, NONPARTISAN INDEPENDENCE.

CASEY, WHO IS NOW DIRECTOR OF CENTRAL INTELLIGENCE AND A TOP REAGAN ADVISER, REMAINS AN ACTIVE ADMIRER OF SPORKIN. BUT OTHERS CLOSE TO THE NEW ADMINISTRATION ARE URGING THE PRESIDENT TO REMOVE THE ENFORCEMENT CHIEF OR LIMIT HIS AUTHORITY AS PART OF A MAJOR RESTRUCTURING OF THE AGENCY.

MORE THAN SPORKIN'S JOB IS AT STAKE. ALSO AT ISSUE, ACCORDING TO FORMER COMMISSION OFFICIALS AND LAWYERS WHO FOLLOW THE COMMISSION, IS THE AGENCY'S FUTURE DIRECTION AND, IN PARTICULAR, ITS AUTONOMY AND FREEDOM FROM PARTISAN POLITICS. IMPORTANT QUESTIONS OF CORPORATE ACCOUNTABILITY AND REGULATION ARE INVOLVED.

IN MANY RESPECTS, THE COMMISSION'S DIRECTION WILL DEPEND ON WHOM PRESIDENT REAGAN CHOOSES TO BE THE NEW CHAIRMAN. WHILE SEVERAL PEOPLE ARE SEEKING THE POST, AND VARIOUS CONSTITUENCIES HAVE FLOATED NAMES OF POSSIBLE NOMINEES, THE ADMINISTRATION IS SAID NOT TO HAVE FOCUSED SERIOUSLY SO FAR ON SELECTIONS.

THE SEC IS AN INDEPENDENT, QUASI-JUDICIAL AGENCY GOVERNED BY FOUR COMMISSIONERS, TWO OF WHOM ARE ALWAYS DEMOCRATS AND TWO OF WHOM ARE ALWAYS REPUBLICANS, AND A FIFTH COMMISSIONER WHO SERVES AS CHAIRMAN AND IS OF THE SAME POLITICAL PERSUASION AS THE PRESIDENT. DESPITE THIS FRAMEWORK, THE COMMISSION IS OFTEN SOMETHING OF A POLITICAL PARADOX.

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